

# EXTENSIONS OF REMARKS

## HONORING EUGENE N. BALL UPON HIS RETIREMENT

**HON. TOM DAVIS**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 4, 2002*

Mr. TOM DAVIS of Virginia. Mr. Speaker, I would like to take this opportunity to pay tribute to Mr. Eugene N. Ball, upon his retirement from the Pentagon Federal Credit Union after nearly 25 years of distinguished and dedicated service.

Mr. Ball was born and raised in Waterloo, IA. He served for 20 years in the United States Army in various command and staff assignments including as a Transportation Corp officer. Following his retirement from the Army's active service in 1963, Ball went to work as Chief of Finance in the Department of the Army. In 1967 he joined the Department of Defense, Per Diem Travel and Transportation Allowance Committee. Fifteen years later, in February 1982, he was detailed to the office of the Deputy Assistant Secretary of Defense (Logistics and Material Management), with the responsibility of organizing and leading an Interagency Team to implement changes in Federal travel policies and practices, as directed by the President.

Ball has been active in the Credit Union movement for over a quarter century. He was first elected to the Board of Directors of Pentagon Federal Credit Union in 1975, and subsequently served as Secretary from 1977–1978, Vice President from 1978–1982, and President since 1982. During his tenure on the Board he has been Chairman of the Marketing and Education, and Nominating Committees.

In June 1984, under Ball's direction, the Pentagon Federal Credit Union formed three holding companies to provide management information, software, and insurance services.

Based on his leadership at the credit union, contributions to other credit unions and credit union organizations, professional development and education, and community service, Mr. Ball was awarded the DEF 1999 Director of the Year honor by CUES. He is revered as a remarkable leader by his colleagues, and is renowned for his dedication to teamwork.

Mr. Ball is also known by all of his Credit Union colleagues for his generosity. From dressing up as Santa Claus for the credit union's Christmas party to serving on the board of several prominent organizations, Mr. Ball is involved in nearly all Credit Union activities, as he is in his Northern Virginia community. He is very active in his church at all levels, serving as chairman of the board of trustees and leading Sunday school discussions. He is a member, and past President, of the Advisory Council for the Lupus Foundation of Greater Washington and has served as president of the National Cherry Blossom Festival. These, along with his many other acts of selflessness, both for the Pentagon Federal Credit Union and for his community, make Ball worthy of his title amongst those who know him, "A Role Model of Humanity."

Mr. Speaker, in closing, I wish the very best to Mr. Ball as he is recognized for service to his community and to the Pentagon Federal Credit Union. During his twenty-five years of service, he certainly has earned his recognition, and I call upon all of my colleagues to join me in applauding his tenure.

## THE CHILD SUPPORT REINVESTMENT ACT OF 2002

**HON. ROBERT T. MATSUI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 4, 2002*

Mr. MATSUI. Mr. Speaker, today I am offering a bill to modify the way in which penalties are imposed on states that are attempting to comply with child support system computer automation requirements.

Child support automation penalties provided an effective and necessary impetus for my home state of California to make important changes in their child support program. But, now these penalties have become an obstacle to meeting the objectives of the revamped system and should be modified.

The Child Support Reinvestment Act would do two important things. First, it would change the base year that the penalty is calculated on. This would remove the disincentive for states to increase investments in their child support program because these increases would no longer be reflected in the calculation of the penalty. Second, the bill would allow increasing amounts of these penalties to be reinvested in the child support program if the state increases spending by specified percentages.

My bill is supported by the National Women's Law Center and the Center for Law and Social Policy. In addition, ACES, the Association for Children for Enforcement Support, and the California Chapter of the National Organization for Women is supporting this legislation. Mr. Speaker, I would like to include the letters of support from these organizations in the record.

California has made significant strides and is on target to have a fully automated child support system in 2005. They have also invested considerable money in improving collections and customer service. Last year, California collected \$2 billion in child support, sending two-thirds of this money directly to families. This progress, however, is being jeopardized by ongoing and increasing federal penalties. Unfortunately, it is the children in families who receive child support that suffer. My bill would correct this problem.

THE ASSOCIATION FOR CHILDREN  
FOR ENFORCEMENT OF SUPPORT, INC.,  
*Toledo, OH, June 4, 2002.*

Hon. ROBERT MATSUI,  
*Rayburn House Office Building,*  
*Washington, DC.*

DEAR REPRESENTATIVE MATSUI: The Association for Children of Support (ACES) would like to offer its support for your proposed

modifications to the current calculation of child support automation penalties. Your legislation, the Child Support Reinvestment Act of 2002, would remove the disincentive to states, like California, to invest additional dollars in their child support system. The penalties imposed on the child support program in California were necessary and provided the encouragement needed by the state to change the system. We believe that California's significant progress, increasing collection rates, and improved customer service warrant reasonable changes in the child support computer automation statute. Particularly, we support your bill, because it would change the way penalties are calculated by redefining the penalty base to avoid penalizing the state for their increased investment in the child support program. We also support the provision that would permit the reinvestment of a portion of the penalties in the child support system.

ACES believes that it is mothers and children who ultimately suffer if the bill is not enacted. Thank you for your leadership.

Sincerely,  
GERALDINE JENSEN,  
*President, Association for Children for*  
*Enforcement of Support.*

NATIONAL ORGANIZATION FOR WOMEN,  
*Sacramento, CA, May 14, 2002.*

Hon. WILLIAM M. THOMAS,  
*Chair, House Ways and Means Committee,*  
*Washington, DC.*

DEAR CONGRESS MEMBER THOMAS: The California National Organization for Women (CANOW) urges you to help alleviate a situation which, if left unmitigated, will lead to injury of thousands of California's families. We are asking for your help in easing the penalties imposed upon California because of missed deadlines on child support automation.

The penalties imposed upon the child support program in California were necessary and acted as a catalyst for change in the system. In 1999, California's child support system faced a major reform. Since the change, policies in the state are innovative and collections are on the rise. Customer service efforts have improved tenfold and greater efforts to reduce automation problems have resulted in record high collections in some counties. These heroic efforts were made in response to the public scrutiny of state child support policies and procedures. Public scrutiny of the system resulted directly from imposition of federal penalties. Therefore, the penalties served their purpose and change has resulted.

Now that California has revamped its child support system and is spending nearly \$1 billion to automate, child support penalties are becoming obstructive. Because of the penalty structure, the state is being penalized for spending more money to improve child support. Instead, we need the penalty system to be flexible—at least allowing penalties to serve the purpose of motivating positive change rather than imposing punishment just because it was observed and although it no longer makes sense.

If we allow the penalty structure to remain as is, we will see a loss of these newly gained services. The new child support department will lose too many resources as money from the program is siphoned to pay penalties. Mothers and children will be the ultimate

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

losers as less effort is put into collecting and enforcing child support. CANOW supports a policy that would establish a penalty base that does not increase when more money is spent by the state to improve the program. Also, CANOW believes that an allowance for reinvestment of the penalty dollars to improvement of child support enforcement is a worthwhile venture.

Please help CANOW to alleviate the potential suffering of millions by restoring equity to the child support automation computer penalty structure. Current economic times demand that we rethink the effects of punitive measures from years past.

Sincerely,

MELANIE SNIDER,  
CANOW Legislative Advocate.

CENTER FOR LAW AND SOCIAL POLICY  
AND NATIONAL WOMEN'S LAW CENTER,

March 5, 2002.

Hon. WILLIAM THOMAS,  
U.S. Representative, Committee on Ways and Means, Longworth House Office Building, Washington, DC.

DEAR CHAIRMAN THOMAS: The Center for Law and Social Policy and the National Women's Law Center support the State of California's request for modifications in the computer penalties incurred by the state—and we support reform of the child support distribution rules—in order to continue the significant progress that California has made in recent years to improve its child support program and get more child support to families.

As explained in more detail below, we recommend a change in the way penalties are calculated, by redefining the penalty base to avoid penalizing California for having increased its investment in its child support program. We also support a change that would permit California to reinvest in its child support program the computer penalties incurred by the state because of its delay in implementing a statewide system under the Family Support Act of 1998 (FSA). We believe that California's progress in restructuring its child support program and implementing a new generation of computer technology are unique circumstances that justify reasonable modifications in the FSA computer penalty statute. However, we do not support forgiveness or waiver of the penalty, nor do we support reinvestment of child support penalties incurred for reasons other than noncompliance with FSA computer requirements.

We also hope you will cosponsor S. 916 and S. 918, which would reform child support distribution rules, simplify California's systems development, and get more child support to former and current welfare families. We urge you to get help get child support distribution reform passed this year.

#### *Modifying Computer Penalties*

In 1998, Congress enacted an alternative computer penalty in lieu of withdrawing full federal funds from state TANF and child support programs for states that fail to meet child support computer system deadlines. The statute creates an alternative penalty available to states making good faith to comply with the automated system requirements and submitting a corrective action plan. The penalties escalate over time: the first year penalty is 4 percent of federal child support matching funds; the second year penalty is 8 percent; the third year penalty is 16 percent; the fourth year penalty is 25 percent, and the fifth and subsequent years' penalty is 30 percent. The percentage is applied to the "penalty base": the amount payable to the state in the previous year as federal reimbursement for state administrative

expenditures in the child support program (the 66% federal match). Thus, a state like California that substantially increased its investment in the child support program each year faces not only escalating percentages, but an increasing penalty base.

We each provided extensive technical assistance to the House Committee on Ways and Means as it developed the penalty language. The specific intent of the alternative penalty was not to punish noncompliant states, but instead to spur those states to address political issues within the states that were impeding system development. Congress did not anticipate that states would incur penalties for more than three or four years. To date, all but two states, California and South Carolina, have received or requested certification of Family Support Act systems compliance.

Although California is not yet in compliance, it responded to the alternative penalty in the way intended by Congress. After Congress adopted the alternative penalty, the California legislature restructured the state child support program by (1) creating an independent state child support agency, (2) reorganizing the program at the county level, (3) engaging in an ambitious top-to-bottom review of child support policies and practices, (4) revamping its computer development and procurement plans, and (5) substantially increasing state funding levels. We think these changes are producing positive and enduring results for families. However, because California has not yet completed its computer system, it will continue to face computer penalties for several years to come.

We support two changes in the alternative penalty applicable to FSA system requirements. First, we agree with California that the statutory definition of the base unintentionally penalizes the state for increased investments in the child support program. As the state puts more money into the program, the penalty base and penalty increase. We think the base should be adjusted to reflect a fixed year.

Second, we support a change that would allow the state to reinvest the penalty in its child support program in a fair and reasonable way. Given California's strenuous efforts to improve its child support program since enactment of the alternative penalty, we think it is counterproductive to continue to withdraw penalty funds from the program, particularly at a time when state budgets are experiencing severe shortfalls. Several studies establish a direct link between child support program performance and adequate finding levels. We are particularly concerned that California's system development decisions could be compromised if the state is required to continue to pay its substantial penalties to the federal government.

#### *Child Support Distribution Reform*

It is also important that California have the authority to avoid programming existing distribution rules in the development of its new system. Problems with automating complicated rules have been cited by federal and state administrators as a cause of system development delays and costs. And one expert, Policy Studies, Inc., estimates that once the rules are implemented, 6 to 8 percent of all child support program costs—up to \$360 million per year—are spent maintaining them.

About half of the support arrears collected for families who have left welfare are not paid to the families, but instead are kept by the government as reimbursement for welfare costs. By paying the support to families, distribution reform would help families make the transition off of welfare and stay off. Research from the Wisconsin pass-through demonstration finds that when child

support directly benefits their children and is not kept by the government, fathers are more willing to establish paternity and pay support for their children.

We urge you support both California penalty relief and distribution reform this year.

Sincerely,

VICKI TURETSKY,  
Senior Staff Attorney,  
Center for Law and Social Policy.

JOAN ENTMACHER,  
Vice President, Family Economic Security,  
National Women's Law Center.

#### IN RECOGNITION OF AGNES GUND

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 2002

Mrs. MALONEY of New York. Mr. Speaker, I rise to pay tribute to Agnes Gund on the occasion of the 34th Annual Museum of Modern Art Party in the Garden. Ms. Gund's extraordinary contributions to The Museum of Modern Art and the art community have made contemporary art accessible to countless people. It is a pleasure to pay tribute to this great educator, activist and philanthropist.

Ms. Gund has been a trustee of The Museum of Modern Art (MOMA) since 1976, and has served as President since 1991. Throughout that time, she has worked to expand the museum's services to a larger, more diverse public and has led MOMA to prominence both as a major tourist attraction and a standard-bearer for cultural institutions everywhere.

An advocate for arts education, she founded the Studio in a School Association in 1971, a program that places artists as teachers in New York City public schools. For her pioneering work in this innovative program, she received the Doris C. Freeman Award from the City of New York and the New York State Governor's Arts Award in 1988. With the Studio in a School program, Ms. Gund forged a new partnership between professional artists and public schools and introduced children to the joys of creative expression.

For her outstanding commitment to the 'excellence, growth, support and availability of the arts in the United States', Ms. Gund was awarded the prestigious 1997 National Medal of Arts by President Clinton. One of 11 recipients of the nation's highest award for achievement in the arts in 1997, she was the only patron of the arts to receive such recognition. Ms. Gund also received the College Art Association Women in the Arts award in 1996 and was elected as a fellow to the American Academy of Arts and Sciences in 1995.

As an eminent leader of the arts community, Ms. Gund was recognized as one of Crain's 75 Most Influential Women in Business in 1996, and has received four honorary doctorates throughout her career. She has also devoted time to public service, particularly in issues surrounding AIDS research, arts programs and education, and has served as a benefactor to museums, art organizations, social and environmental groups and women's issues.

Ms. Gund is bringing MOMA into the 21st century with a \$1 billion expansion. The museum has taken the bold step of moving to Queens while the massive building project is underway. Prior to the move, she initiated a